GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:693
ANSWERED ON:13.05.2005
PROMOTION OF TEXTILE SECTOR
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Will the Minister of TEXTILES be pleased to state:

(a) whether the share of India's textile industry is only 3-5 per cent of the total Global trade;

(b) if so, the reasons therefor;

(c) the steps taken to face the Global competitiveness and explore opportunities in textile sector including technical textiles?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 693 FOR 13-05-2005

(a) As per latest available WTO data, India's percentage share in the world textile and clothing during 2003 was 4.8% and 3.5% respectively.

(b) US, EU and Canada account for a major share of world trade in textiles, and due to the quota restrictions imposed by these countries till 31st December, 2004 under the erstwhile Multi-Fibre Arrangement, India's export growth to these markets was restrained. Besides, lack of investments on modernisation and technological up-gradation, particularly in weaving and processing segments, are areas of our weaknesses that have been inhibiting the growth of our textile exports.

(c) The complete dismantling of the quota regime w.e.f. 1st January, 2005 does provide greater export opportunities for India's textile industry. The industry will have to improve its efficiency and productivity to meet the emerging global competition.

The Government has been taking continuous measures to provide an enabling environment for the industry to enhance its competitiveness in the global market and increase exports of textiles, including technical textiles. Some of the important initiatives taken are:

i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector. The machinery and equipment for non-woven/ technical textiles has been covered under the TUFS.

ii) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

iii) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.

iv) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.

vi) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. 28 nos. of machinery for technical textiles are allowed at a concessional customs duty of 5%. The cost of machinery has also been reduced through fiscal policy measures.

vii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

viii) National Institute for Fashion Technology (NIFT), its seven branches and Apparel Training & Design Centres (ATDCs) are running

various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

ix) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

x) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.